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President: Mr. Han ..... (Republic of Korea)

The meeting was called to order at 10.15 a.m.

Agenda item 97

Sustainable development and international economic cooperation

(c) High-level dialogue on strengthening international economic cooperation for development through partnership

The President: The General Assembly will begin the high-level dialogue on the overall theme entitled "Responding to globalization: facilitating the integration of developing countries into the world economy in the twenty-first century", in accordance with the decision taken by the General Assembly at its 3rd plenary meeting, on 19 September 2001, and pursuant to resolution 55/193 of 20 December 2000 and to the decision taken at its 1st plenary meeting, on 12 September 2001.

In accordance with resolution 55/193, the high-level dialogue shall consist of plenary meetings, ministerial round-table meetings and informal panels, with the participation of non-governmental actors.

I should now like to recall for members that, at the 3rd plenary meeting of the General Assembly, held yesterday, it was announced that in addition to plenary meetings, two ministerial round tables-cum-informal panels will be held today.

The first ministerial round table-cum-informal panel will be held this morning from 11 a.m. to 1 p.m. in Conference Room 3 and will be on the sub-theme entitled "Enhancing the integration of developing countries in the emerging global information network, facilitating access to information and communication technology for developing countries".

The second ministerial round table-cum-informal panel will be held this afternoon from 3.30 to 5.30 p.m., also in Conference Room 3, and will be on the sub-theme entitled "Promoting the integration of developing countries into the world economy and generating new public and private financing resources to complement development efforts".

Following consultations, I have the pleasure to appoint Mr. Elias Gounaris, Permanent Representative of Greece to the United Nations, as the Chairman of the first ministerial round table-cum-informal panel, and Mr. Eladio Loizaga, Permanent Representative of Paraguay to the United Nations, as its Rapporteur.

For the second ministerial round table-cum-informal panel, I have the pleasure to appoint Mr. Dumisani Shadrack Kumalo, Permanent Representative of South Africa to the United Nations, as its Chairman, and Mr. Ion Botnaru, Permanent Representative of the Republic of Moldova to the United Nations, as its Rapporteur.

By Assembly resolution 55/193, the General Assembly requested the President of the General Assembly to continue preparations for the high-level

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dialogue. In that connection, I should like to propose that the Rapporteurs present a summary of the discussions in their respective ministerial round table-cum-informal panels at the concluding meeting of the high-level dialogue.

Shall I take it that the Assembly agrees to that proposal?

It was so decided.

The President: Members will further recall that, pursuant to the same resolution, the final outcome of the high-level dialogue will be a summary by the President, to be presented at the closure of the event.

Statement by the President

The President: I am pleased and honoured to welcome representatives to the second high-level dialogue on strengthening international economic cooperation for development through partnership. These high-level dialogue sessions provide an invaluable opportunity for an open and constructive exchange of views on ways of ensuring that globalization becomes a positive force for all of us.

Due to last week's tragic events, major meetings of the General Assembly had to be rescheduled or postponed, including the high-level dialogue. I wish to express my deep appreciation to all delegations for agreeing to hold the high-level dialogue today, notwithstanding this difficult situation. I think this sends a message about the firm determination of Member States that the General Assembly will not be deterred by such criminal actions in its efforts in support of world peace and development.

This is a time to be creative in our thinking, to share new ideas, and to map out the direction we should take for the benefit of developing countries. Without the pressure of having a negotiated outcome, the dialogue format will encourage all participants to explore solutions to the most vexing challenges that the Assembly will be addressing in the months to come.

Under the overarching theme of globalization, two crucial sub-themes are on the table. The first covers two issues of importance: the integration of developing countries into the world economy and generating financial resources. The new millennium is characterized by shrinking distances, instant news and communications, short production cycles and unprecedented wealth creation. On the other hand, globalization is also characterized by growing development gaps, both among and within countries. While the international community has done much to promote the integration of developing countries into the world economy, we need to address legitimate concerns about the marginalization of developing countries which have been unable to enjoy the full benefits of globalization.

The question of financing for development took on new urgency in the follow-up to the series of global conferences and summits convened by the United Nations in the 1990s. Those events set out a multitude of goals and targets and comprehensive action plans at the national, regional and international levels to realize a holistic vision of development. In particular, the Millennium Declaration, adopted last September, has given an unprecedented level of political commitment to these goals. I believe that the Declaration's goal of reducing by half the number of people living in extreme poverty by 2015 must also be our overriding goal, not only during this two-day dialogue but during the entire fifty-sixth session of the Assembly.

In that regard, I would like to stress the significance of the International Conference on Financing for Development, which will take place in March of next year in Monterrey, Mexico. Many challenging ideas and considerations have already been presented during the preparatory process. I hope that we can build on those in developing our own distinctive contribution to the success of the Monterrey meeting through partnership among relevant stakeholders.

The second sub-theme of this dialogue is closely related to the first one. Globalization has been recognized as being multifaceted in nature, and the current phase of globalization is shaped by the fact that knowledge has become a source of competitive advantage. Information and communication technologies (ICT) have come to play a pivotal role in the emerging global knowledge-based economy. Information and communication technologies can be a powerful tool in the economic and social development of countries, societies and individuals by opening up new avenues for trade, commerce and employment.

Yet the majority of the world's population continues to live in poverty, and many countries have yet to reap the full benefits of the ICT revolution. Closing the digital divide among and within countries

is an enormous task and, therefore, cannot be the sole responsibility of one group of stakeholders. Basically, Governments have the primary responsibility for promoting the well-being of their people. However, the public sector alone cannot provide all the answers for the complex problems of globalization. Civil society and the private sector not only have a stake in development, they have the necessary ideas, perseverance and creativity to surmount obstacles and find solutions to the challenges we face.

I am pleased to note that their role has been recognized by the United Nations in setting up an ICT Task Force with multi-stakeholder participation. With regard to the world summits on the information society to be held in 2003 and 2005, it is vitally important that the major stakeholders be involved in addressing a number of issues, including the digital divide, throughout the preparatory process and the final events. I am hopeful that the General Assembly will play a major role in ensuring the success of these seminal events.

In my view, it is crucial for the General Assembly to continue to explore ways of interacting with the multiple stakeholders who are instrumental in turning policy proposals into practical reality. It is encouraging that they have repeatedly shown their willingness to assume their share of responsibility for achieving development targets. This dialogue should therefore strive to be as interactive as possible and to be fully open to the views and suggestions of academia, civil society and the private sector. I look forward to a rich and productive dialogue.

I now give the floor to the Deputy Secretary-General.

The Deputy Secretary-General: I am honoured to join the Assembly at the opening of the high-level dialogue on strengthening international economic cooperation for development through partnership.

The Assembly's decision to convene this meeting in spite of the tragic events of last week is a clear indication of the importance that the international community attaches to this subject.

This dialogue is meant to advance our understanding of the potential and the potential challenges that globalization represents. It is also meant to illuminate the subject from a different perspective, one that stresses partnership and mutual benefit. It provides an opportunity to review and to make progress in the implementation of the conclusions of the Millennium Assembly, the Third United Nations Conference on the Least Developed Countries, and the recent substantive sessions of the Economic and Social Council.

In all those gatherings, extreme poverty was identified as one of the most urgent challenges facing the world community at the dawn of the twenty-first century. The paramount task of reducing poverty to alleviate the suffering of so many of the world's people will be rendered even more difficult by the current slowdown of economic growth. A primary objective of this dialogue, therefore, must be to find ways of ensuring that this task is pursued with an even stronger sense of commitment.

One of the first preoccupations of all Governments right now must be to take concerted actions to encourage a revival of global economic growth. When it comes, it is vital that that revival should be sustainable and that growth be spread more equitably than in the past.

Developing countries must be given a fair chance to compete in the world market place. That will happen only when developed countries do more to open their markets and when developing countries improve their capacity to produce and export goods and services at competitive prices. Many of them will need technical assistance to achieve this, but they also need to recognize and to remove the barriers to free exchange and investment that still exist within the developing world.

In this context, it is more important than ever to seize the opportunity offered by the meeting of the World Trade Organization in Qatar in two months' time. This must be the occasion for States to implement fully the commitments they undertook in the Uruguay round and to launch a new round of trade negotiations, which deserves the name "development round". Such a new round should help to restore the momentum of open markets, while giving genuine priority to the concerns and interests of developing countries.

Two subjects, public and private financing resources and information and communications technologies, have been selected for more detailed discussion today. In this forum, the Assembly will be able to hear various ideas that have been put forward for financing development, including those contained

in the report of the high-level panel appointed by the Secretary-General, referred to as the Zedillo report. Now is the time for Member States to decide which of these ideas merit further consideration in preparation for the International Conference on Financing for Development, which, as the President has mentioned, will be held next March in Monterrey, Mexico.

Information and communications technologies are a central feature of this era and a driving force in globalization. If developing countries are to compete in the new global market, a big effort is needed to improve their access to this more advanced form of infrastructure. We look especially to the United Nations information and communications technology (ICT) Task Force for recommendations on ways to bridge the global digital divide and foster digital opportunities for all. This dialogue, too, should contribute suggestions for practical and effective policies in this field.

The Assembly's discussions today offer an opportunity to exchange ideas, not only between different States and regions of the world but also, in the round tables and informal panels, between people of different experience and perspectives, since representatives of the private sector and academia will be taking part. The ideas the Assembly generates should be useful to its current session, but also to the wider and longer-term global effort to promote development.

Mr. Ordzhonikidze (Russian Federation) (*spoke in Russian*): I have to start by referring to an absolutely new challenge: the recent event that has left no country or reasoning individual indifferent. Like all civilized humankind, we in Russia have been deeply shocked by the barbaric acts of international terrorism against the American nation. We consider this terrorist act a tragedy that affects everyone and a challenge to the entire international community.

Terrorism knows no national borders and has already acquired a global character. That is why it is necessary to strengthen and enhance the interaction of the international community in combating this common threat of terrorism. International terrorism is not only a political and legal problem but a socio-economic one as well. It represents a significant obstacle to the sustainable development of States.

In addition to the loss of life and property it causes, international terrorism engenders political instability, which deprives States and regions of the opportunity to develop normally and forces Governments to divert enormous human and financial resources to combat this evil and to repair the damage. Terrorism, which goes hand in hand with organized crime, particularly drug-trafficking, jeopardizes the prospects of fulfilment for entire generations and their productive integration into society.

In this context, we believe that the efforts of States to combat terrorism at both the national and international levels should be viewed as part and parcel of common endeavours aimed at achieving sustainable development.

Turning directly to the subject of today's dialogue, I would first like to stress that the full-scale integration of developing countries into the world economy is an indispensable prerequisite to, and an important instrument for, the implementation of a global strategy to combat poverty and ensure sustainable development.

The complicated and alarming situation in many regions of the developing world, most critical in Africa and the least developed countries, combined with the new challenges of globalization, requires resolute and comprehensive measures to be taken on a worldwide scale. This primarily means bridging the economic and technological gap, including the digital divide, between the least developed countries and the rest of the world, stable financing to support growth and development, and ensuring conditions favourable to expanding trade and investments. On the other hand, an uncontrolled, spontaneous integration of countries into the global economy can have negative results. That is why it is so important for the process of globalization to be determined first and foremost by international organizations and States and not only by the private sector represented by transnational corporations.

The main responsibility for their development lies, above all, with the developing countries themselves and much depends on the mobilization of their internal resources and efforts. At the same time, the objective set by the international community to halve poverty by the year 2015 calls for the adequate mobilization of financial resources for development. In this respect, we place our high hopes on the forthcoming International Conference on Financing for Development to be held next March in Mexico. We expect specific political decisions from the Conference

to help reverse the longstanding trend of reducing official development assistance, to increase the flow of resources from the donor community and the private sector and to release additional funds through debt-burden relief and by improving the access of exports from the developing countries to the world markets.

Further implementation of the Heavily Indebted Poor Countries Debt Initiative will play a major role in relieving the external debt of countries whose debt burden remains a most serious obstacle to overcoming their own backwardness. Russia has supported the Initiative and will henceforth respect the multilaterally coordinated obligations to implement its expanded version. As a member of the Paris Club and the G8, Russia has done much towards the implementation of the Initiative. Following the application of the conditions of the Paris Club, the total debt of the heavily indebted poor countries to Russia is expected to drop more than tenfold.

The eradication of poverty and the prevention of marginalization, particularly among the least developed countries, greatly depend on the deeper involvement of developing countries in international trade and the expansion of productive investment into the real sector and infrastructure. We support initiatives to improve the access of the least developed countries to the world markets, including the Generalized System of Preferences, the "Everything but arms" initiative and so forth.

Russia has long given considerable tariff preferences to developing countries. Most products originating from developing countries are imported at a reduced customs rate of 75 per cent of the basic tariff. We believe that such a preferential regime is essential for expanding mutually advantageous trade and economic cooperation and facilitating the resolution of current development problems.

The trade preferences accorded to the least developed countries are of a still larger scale. Nearly all products from these countries are now imported to Russia duty-free. In respect of imports from the least developed countries, neither quantitative restrictions are applied nor may investigations be carried out concerning the introduction of anti-dumping, compensatory or special protective measures. Moreover, we reaffirm our readiness to extend the regime of duty- and quota-free access to cover all goods, except weapons, from the least developed countries. At the same time, additional amendments to the current legislation are being worked out in Russia regulating the issues of granting tariff preferences aimed at the further liberalization of conditions for the access of goods from developing countries to the Russian market.

Information and communication technologies (ICT) have considerable potential in terms of providing assistance to developing countries in speeding up their economic growth, enhancing living standard, combating poverty and solving other priorities of development. In the era of globalization, ICTs are one of the most important factors determining the development of the world economy and ensuring sustainable social and economic development.

The information revolution entails not only the enhancement of opportunities, but also evident challenges and risks. That is why the most important task is to make every necessary effort to ensure that information technologies serve the interests of all countries. The international community has special responsibility for turning information technologies into a factor of development, rather than broadening the so-called digital divide between countries and regions. It is also important not to let ICTs turn into a kind of "virtual" barrier obstructing trade and development.

The mobilization of necessary financial and technological resources for the effective implementation of programmes in the field of development on the whole and the introduction and dissemination of ICTs in particular require fruitful cooperation with the private sector. In this context, we attach great importance to partnerships between the United Nations and the private sector, first of all in the framework of the Global Compact proposed by the Secretary-General and other initiatives. In this vein, we support the earliest possible development and coordination on the intergovernmental level of provisions governing the procedures for joint work of the organizations of the United Nations system with private business.

We hope that this dialogue will promote efforts to move towards the effective resolution of the pressing issues of development that will meet the interests of all peoples.

Mr. Asadi (Islamic Republic of Iran): Speaking on behalf of the chairmanship of the Group of 77, I thank the President of the General Assembly and the

Deputy Secretary-General for two interesting and comprehensive statements. The chairmanship of the Group of 77 cannot compete with the brevity of those statements, simply because I have a big family to represent.

This is the second time that the intergovernmental body of the United Nations is engaged in a high-level dialogue on strengthening international economic cooperation for development through partnership, the overall theme being "Responding to globalization: facilitating the integration of developing countries into the world economy in the twenty-first century". This is indeed a daunting challenge and a very tall order. Our collective enterprise this year takes place under very difficult circumstances, emanating from the horrendous terroristic, inhuman acts perpetrated last week here in the United States. Let me seize the occasion here to extend, on behalf of the Group of 77 and China, our most profound condolences and sympathy to the Government and people of the United States and to the families and relatives of the victims of these tragic events. If anything, these events make the case for international cooperation and partnership proper all the more imperative and urgent.

It appears that globalization has become part and parcel of our collective life, its impact being felt in different forms, to different degrees and in different arenas of the national life of all societies. Beyond value judgement, it is now an undeniable fact and a still-unfolding process, and it continues to impact the overall situation on a global scale and to affect the development policies of all societies, particularly in the developing world. What is important, though, is that globalization should not be seen as an inevitable blind force beyond the control of human beings or of countries. Rather, globalization is, to a large extent, an interactive process and the result of policy choices and decisions — a process that needs to be harnessed and even directed.

Now that the international community has for the past several years dealt with this seemingly unruly and unbridled process, it should be clear to all of us, both developed and developing countries, that cooperation across the board, particularly between and within North and South, is an absolute necessity. It is needed in order to utilize the tremendous potential of this phenomenon and process for development, especially through the strengthening of interdependence and multilateralism. It goes without saying that the international community in its entirety, and we here at the intergovernmental body of the United Nations, should spare no effort in making optimal use of the ongoing multilateral processes and upcoming major events with the view towards building partnerships in the service of development. In this context, the International Conference on Financing for Development stands out as a unique process and occasion.

Integration of developing countries into the world economy in the twenty-first century should be seen as a comprehensive process, and it cannot but be based on cooperation and partnership. Trade, investment, private capital flows and debt, international financial cooperation for development, and governance and participation of developing countries in the monetary, financial and trading systems are among some of the major elements for addressing the challenges facing developing countries for integration into the world economy.

Trade is the most important mechanism for almost every developing country for economic integration with other countries and plays an important role in development. Trade is also the major instrument for integration in the international economy. An open, rule-based, transparent, non-discriminatory and predictable multilateral trading system is an essential component for the global economic system and would contribute tremendously to world economic growth and the smooth integration of developing countries into the world economy. Many developing countries have made major progress in liberalizing their trade regimes, which has resulted in the expansion of their trade.

While emphasizing the importance of sequential liberalization, we would also like to stress the necessity of promoting market access for goods and services of interest to developing countries and removing constraints on their exports by our developed partners, which impose costs on us that far outweigh aid flows. Strengthening supply-side capacity in areas such as infrastructure, human development, export expansion and economic diversification are other important components for promoting trade that could lead to expeditious integration into the world economy.

Foreign direct investment and private flows to developing countries — which could bring a range of dynamic benefits, including better access to the markets of countries of origin — could also enhance

integration of developing countries into the world economy. The Group of 77 and China believe that the volume of such flows and investments should increase and their distribution among developing countries should become more equitable, while ensuring their profitability to both the investors and host countries. Addressing the volatility of short-term capital flows is also imperative. Dissemination of information on investment opportunities in developing countries and technical and financial assistance for strengthening the institutional infrastructure of those countries could also lead to more financial flows and investment. Other measures such as the extension of fiscal support to outward investors, insurance schemes and market access could also increase opportunities for investment in and financial flows to developing countries. The impact of Foreign Direct Investment (FDI) could be optimized and its potential benefits for development could be brought about through strengthening technological capacities, boosting export competitiveness, generating employment and establishing networking between foreign affiliates and their host economies, especially with small and medium enterprises. This would also contribute to the integration of developing countries into the world economy.

Finding a durable solution for external debt and the debt-servicing problems of developing countries is vital if an environment conducive to integrating them into the world economy is to be created. This can be accomplished through enhancing international cooperation to assist these countries to get away from the rescheduling process and the unsustainable debt burdens, which undermine the domestic resource base of developing countries and deprives them of those resources.

International financial cooperation has a critical role to play in the development process and the integration into the world economy of all developing countries, in particular the least developed countries (LDCs), African countries, Small Island Developing Countries and Land-locked Developing Countries. Official development assistance (ODA), in its various forms, serves as a source of financing of technical assistance, development of human capital, capacity-building to overcome the constraints of remoteness and isolation from the world markets, expansion of infrastructure and productive capacity, diversification of export bases and improvement in an overall environment conducive to a higher level of public and private sector initiatives — all of which are essential components for integration in the global economy. Quite regrettably, as we all know, the volume of ODA and official flows has been decreasing steadily during the past decade, both in real and relative terms. The Group of 77 and China believe that ODA has a key role to play in ensuring that the benefits of globalization would be shared more equitably by the developing countries. The first step should be to halt the declining trend and, of course, to reverse it, while strengthening the requisite political will to increase the level of ODA to reach the agreed target of 0.7 percent of gross national product (GNP) of developed countries. Promoting aid effectiveness and efficiency, as well as harmonization and simplification of operational policies and procedures of international financial flows, is equally important and imperative. Launching a global information and advocacy campaign for raising public awareness in developed countries on the urgency and necessity of increasing ODA should also be encouraged.

The Group of 77 and China believe that existing institutional arrangements and multilateral cooperation in the areas of international monetary, financial and trading systems are lagging far behind the process of economic and financial integration at the global level. Enhancing the coherence of these systems could contribute enormously to the consistency of policy- and decision-making at the macro or global level, including the policy recommendations of the relevant international institutions in areas that could assist developing countries in their endeavours towards a smooth and less volatile integration into the world economy. In the context of promoting increased and more equitable distribution of the benefits of globalization, adequate representation and broad and meaningful participation of developing countries in the international economic decision-making and norm-setting processes and global financial governance should be enhanced and ensured. Better representation and participation can bolster the effectiveness and efficiency of the relevant international forums and committees with responsibilities for the governance of the international economy. They will also support the relevant international institutions in their objectives of being fully responsive to the development challenges of developing countries. It could also help developing countries to better understand the implications of various international monetary, financial and trading

policies for their development, which could prevent their marginalization and simultaneously help facilitate their effective and meaningful integration into the world economy.

Regional arrangements and cooperation is another area that we believe would help the developing countries in their quest for integration into the global economy. In fact, these arrangements seem to have gained prominence in recent years, perhaps, to some degree, as a result of the disquieting uncertainties in the relationships of global arrangements. These arrangements can undoubtedly assist developing countries to promote their cooperation and coordination in various economic fields, including through the establishment of necessary institutions at the subregional and regional levels. Such arrangements could also serve to improve rules, regulations and norms and standards in the monetary, financial and trade fields. It should be stressed, however, that a conducive global environment is a precondition for the integration of members of regional arrangements into the world economy.

Let me turn now to another important emerging aspect of the world economy, an area where special and immediate action is very much needed to help enable developing countries to benefit from its opportunities and potentials. The revolution in information and communications technology (ICT) has contributed enormously to the creation of the emerging global knowledge-based economy which opens vast new opportunities for economic growth and social development. Integration of the developing countries into this new emerging knowledge-based economy could be associated with ample opportunities for economic growth, such as promotion of electronic commerce, lower transaction costs, dissemination of information on investment opportunities in developing countries and networking with foreign enterprises and their affiliates. The potential opportunities are tremendous. More daunting, however, are the immediate challenges developing countries face, including the widening digital divide, which severely constrains their active and meaningful integration into this new economy and could lead to the crippling of development and further marginalization.

We hardly, if at all, need to engage in any further description of the potential benefits of ICT — or its perils, for that matter. The overall situation, with all its implications, serious and even grave as they are, is quite clear to all of us, including the challenges in the areas of lack of capacity, infrastructure, connectivity and local content. What needs to be done is equally clear: the potentialities of ITC should be utilized to serve the cause of the long-term comprehensive development of the developing countries. Put in very practical terms, the aim should be to assist those countries to catch up with global developments and advances and to integrate into the world economy as effectively — and, of course, as expeditiously — as possible. Utilization of these technologies, which happen to be practically inaccessible to many developing societies, should help those societies make strides in the never-ending quest for reliable sustained economic growth and in the improvement of such critical areas as health and education, as well as in the empowerment of civil society: in a word, in moving towards the ever-elusive strategic objective of poverty alleviation and poverty eradication.

Let me just emphasize one of the areas in which developing countries face particular constraints: the area of infrastructure and capacity. Obviously, the existence and provision of the necessary infrastructure and capacity goes beyond mere access to a computer connected to the Internet. Rather, this relates to fundamental issues and problems, inter alia, the existence and functioning of an educational system with universal coverage, including basic and digital literacy; the existence of well equipped telecommunications systems; technological skills to utilize, support and administer information technologies facilities; making the necessary investment in human resource development; strengthening the institutions and networks for utilizing all aspects of knowledge products; and establishing the capacity for research and development related to indigenous technologies for producing hardware and software products.

Connectivity and endeavours to achieve universal connectivity constitute another major component of any strategy for the dissemination of ICT. Connectivity should be accessible and affordable for all, including through community-based approaches and through the provision of public access points, as well as through a market-based approach and competition. Local content, as another major and prominent element for the utilization of ICT, should be promoted. Generation, development and enhancement of local content through the introduction of local language character sets could

assist and justify stronger private investment in information and communication technology products and Internet content, and could create the necessary platform for reaching economies of scale which would make connectivity and access possible and cheaper.

While emphasizing the importance of comprehensive national action for establishing necessary capacities and infrastructure and for encouraging connectivity and the generation and expansion of local content, it is nevertheless necessary — in fact, imperative — to have strong international support for such programmes and actions on the part of international and multilateral institutions, most particularly the United Nations system, and also the World Bank, regional banks and developed partners. While welcoming the establishment of the ICT Task Force as a practical step aimed at strengthening the role of the United Nations system in this area, we believe that effective and meaningful collaborative efforts are required to enhance the development impact of ICT. We would also like to underline the importance of the Task Force building upon the expertise that already exists within the United Nations system, including in particular the Commission on Science and Technology for Development.

The importance of providing the Task Force with adequate financial resources does not need to be further emphasized. The Task Force should receive every assistance in devising appropriate policies at the global and regional levels to accelerate and promote universal access to knowledge and information and the development of norms and standards on a transparent, meaningful and participatory basis. Some of the major elements of the work of the Task Force that we would like to underline at this stage are: developing projects; devising measures to reduce the cost of access and connectivity in developing countries; innovative action to increase the number of computers and other Internet access devices in developing countries; facilitating the transfer of information and communication technologies to those countries; and supporting research and development on ICTs and their applications in those countries. Of course, most urgent and immediate of all is to have the Task Force start its work.

I close my statement at this point, Mr. President, and wish you and the Bureau every success in steering the work of the fifty-sixth session of the General Assembly. In dealing with the huge, daunting challenge that awaits you, you can rest assured of the full cooperation of the Group of 77 and China. Our mutual cooperation will certainly help the success of the Assembly on this agenda item as well as on other items.

Mr. De Ruyt (Belgium) (*spoke in French*): I have the honour to speak on behalf of the European Union. The Central and Eastern European countries associated with the European Union — Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia — and the associated countries Cyprus, Malta and Turkey align themselves with this statement.

I wish once again to express our horror and distress at the terrorist attacks that struck the United States last week. Again, our condolences go to the people of the United States. I reaffirm the determination of our countries to strengthen the fight against international terrorism. In that connection, Mr. President, I welcome your announcement that the debate on that subject desired by the European Union will begin on Monday, 1 October, in plenary meeting. Heads of State or Government of the European Union will meet tomorrow, Friday, 21 September, at Brussels; the fight against international terrorism will be at the centre of their discussions. Their conclusions will undoubtedly enhance our debate, because we believe that the United Nations must play a central role in meeting this vast new challenge confronting the entire international community.

The member States of the European Union have chosen two closely interrelated sub-themes for this debate, relating to the economic and technological dimensions of globalization. On a general level, first of all, the European Union reiterates the importance it attaches to increased coordination and cooperation between the United Nations and the Bretton Woods institutions, and, of course, to their annual dialogue in the Economic and Social Council.

We must also stress the need for more numerous innovative partnerships, since interdependence exists not only between countries but between all the actors involved. From the outset we would like also to highlight another facet of our approach, namely the particular attention we would like to pay to the least developed of the developing countries.

The first sub-theme that I should like to address relates to promoting the integration of developing

countries into the world economy and generating new public and private financing resources to complement development efforts.

We are convinced that globalization is a tremendous multiplier of growth and prosperity; however, inequalities remain. It is obvious that many countries, particularly the poorest, have not yet been able to benefit fully from this potential. Humanizing globalization means, above all, making it inclusive by fully integrating developing countries into the world economy and by generating new flows of financing in their direction. It is, of course, first and foremost up to those countries themselves to create an environment conducive to investment, trade and development in general, but the international community also has an important role to play.

This integration, which begets progress, is vital to the attainment of the international development goals set by the major world conferences. At the Millennium Summit, we renewed our commitment to an open, equitable, rule-based, predictable and non-discriminatory trading and financing system.

At that Summit we also vowed to make every effort to ensure the success of the International Conference on Financing for Development. We are very pleased that the Bretton Woods institutions are involved in the innovative preparatory process leading to the Monterrey Conference.

The Johannesburg World Summit on Sustainable Development will enable us to help make globalization serve sustainable development, through a better integration of its economic, social and environmental dimensions and by generating new momentum in the fight against poverty.

If the developing countries are to benefit fully from the boom in global trade, they must, first of all, be members of the World Trade Organization (WTO) and have the means to operate effectively in it and to use all of its instruments. Developing countries must therefore be given help, in the form of technical assistance, in order to strengthen their capacity to participate fully in the WTO and to benefit from it.

The General Assembly has already asked the United Nations Conference on Trade and Development (UNCTAD) to support efforts to promote the effective participation of those countries in multilateral negotiations and a greater diversification of their trade. A special effort must also be made for the least developed countries, both as regards trading preferences — and the European Union has shown the way with its "Everything but arms" initiative — and to help them to participate in the activities of the WTO.

The fourth Ministerial Conference of the WTO in Qatar should also highlight the tangible advantages for developing countries in the framework of the vast arena of work that it will address. Trade must serve the human being and, therefore, sustainable development, paying heed to the needs of future generations by taking account of the economic, social and environmental dimensions of progress.

Last spring in Brussels, at the third United Nations Conference on Least Developed Countries, we made a number of commitments to those countries. It is essential to implement effectively those commitments and to agree promptly on the means to follow them up. This means negotiating substantial reductions in the high tariffs and subsidies affecting trade, particularly in the sectors which are of most importance to the least developed countries. It also means negotiating rules which take account of their development needs and of their implementing capability.

Confidence levels are an important determining factor in financial flows — whether it be whether private finance, in the form of direct and portfolio investment, or public finance, in the form of concessional loans. Confidence is built on patient and careful work. National Governments, of course, bear the primary responsibility in this respect, but the international community also has a crucial role to play.

For example, a clear consensus needs to be reached, in consultation with civil society, on factors such as, inter alia, legal protection and non-discrimination, which are needed if foreign direct investment is to flourish in a country. This would make it possible to develop new flows of investment into countries which have until now been excluded from them.

Corruption is a scourge which must be combated first at the national level, but it is clear that it also, and perhaps increasingly, has international ramifications. International legal instruments should be adopted not only to fight corruption, but also to facilitate the repatriation of the proceeds of unlawful operations transferred abroad. Some progress was made in 1997, with the adoption of the Organization for Economic

Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

While it is essential to attract private capital to all developing countries, that does not mean, of course, giving a free hand to the private sector, particularly in fragile economies. Corporate governance must be developed, particularly through more detailed and more widely disseminated international accounting standards and competition law. The European Union also favours the use of various instruments to encourage socially responsible investment, such as the OECD guidelines on this subject.

To consolidate confidence, developing countries must also be returned to solvency. The problem of debt requires a range of solutions, which are, of course, primarily a matter for the developing countries themselves; however, industrialized countries must also undertake concerted action.

The potential of partnerships is still greatly underexploited. Innovative synergies can develop through cooperation among ministries, national and local authorities, public bodies, banks, companies and non-governmental organizations. Official development assistance could link up with other forms of finance. The interaction between international, national, regional and local levels should be intensified. International financial institutions could engage in more diverse means of cooperation. There is also, of course, the possibility of public-private partnerships, particularly with respect to financing basic infrastructure and taking advantage of the catalytic effect of official development assistance. Innovative forms of guarantees could be developed to allow this option to provide more flows of finance.

Finally, the European Union cannot but reaffirm its commitment to reaching the target of 0.7 per cent of gross national product for official development assistance as soon as possible. Official development assistance remains a significant source of development finance for a number of countries. It must be targeted at specific ends where it backs up action by the private sector and local public bodies, such as implementing international development objectives agreed upon at the major world conferences and the reduction of poverty.

I would now like to address the second sub-theme that we have chosen, which concerns how to enhance the integration of developing countries in the emerging global information network, facilitating their access to information and communications technologies (ICTs).

The revolution in information technology and telematics is both a cause and a component of the phenomenon of globalization. The digital divide is an important aspect of the technological dimension of development, a dimension which, though often neglected, is essential. It is a very complex dimension, too, inextricably linked as it is with other questions such as the development of an educational system which includes training in the new technologies, for women as well as men; the legal framework; economic freedom; infrastructure; and the respect for fundamental freedoms, particularly the freedom of expression.

The European Union awaits with interest the recommendations in the Secretary-General's report on the impact on development of the increased integration between trade, the financial sector, knowledge, technology and investment.

To bridge the digital divide, we must work in a different way. It is vital that the telecommunications markets be integrated and liberalized without delay, so as to lower the cost of access to the internet. Given the transnational nature of the worldwide web, it is essential that Governments cooperate on issues such as copyright, computer security, electronic trading standards, legal and tax questions and combating computer crime.

The private sector must be involved much more, by multiplying the forms of partnership, if only because Governments have only limited expertise in information and communication technologies and are not always able to develop adequate national strategies. The ICT Task Force is an excellent example of a promising partnership between the United Nations and the private sector, as is the Digital Opportunities Task Force — the DOT Force — launched by the G8. At local, national and international levels, public-private partnerships often appear to be an ideal means of pooling resources and knowledge in the common interest. We also welcome the fact that the United Nations Conference on Trade and Development (UNCTAD) has set about facilitating the search for partners for developing countries in the fields of biotechnology and ecotechnology.

We must not only launch technological projects; we should also integrate the technological dimension in development programmes. United Nations funds and programmes, and active players in development aid in general, should therefore also take account of all the lessons of the information revolution.

Information technologies are an ideal tool of transparency and governance. One of a number of ways of bridging the digital divide is therefore to focus on the promotion of "e-government", in other words, the integrated use of telematics in the administration of public affairs, which will undoubtedly act as a catalyst on society as a whole. E-government makes it possible to reduce the costs of communicating and distributing information, reducing outlay by the State, businesses and citizens. It makes it possible to reduce corruption, open up isolated communities and create new mechanisms for participation and involvement in civil society. At the Lisbon Summit, Europe decided to go down this road in the "e-Europe" project. On 29 and 30 November, the presidency of the European Union and the European Commission are holding a European conference on this subject in Brussels.

The multiplication of community access points to the Internet — telecentres — is a corollary of a successful e-government strategy. The private sector will be the main provider, but that does not in any way prevent public bodies from also taking an active role.

We must also exploit the potential of tools which are still revolutionary, such as telemedicine and teaching over the internet. A good opportunity to address these subjects will be provided by the next substantive session of the Economic and Social Council, where the high-level debate will be devoted to enhancing human resources, particularly in the fields of education and health.

The European Union is convinced that we can and must humanize globalization in order to put it to the service of all. I have addressed just a few aspects of an infinitely greater issue in order to pinpoint some concrete examples which demand action. The European Union hopes that this dialogue will make it possible, as in the past, to highlight new trends and new areas to be worked on and thus contribute to forthcoming debates, particularly the Conference on Financing for Development.

The President: I now give the floor to the Permanent Representative of Saudi Arabia.

Mr. Shobokshi (Saudi Arabia) *(spoke in Arabic)*: It gives me pleasure to congratulate you, Mr. President, on your election as President of the General Assembly at its fifty-sixth session and on presiding at the high-level dialogue on globalization. Your election reflects the appreciation of the international community of you and of the positive role being played by your friendly country in the international arena. I would like also to express gratitude to your predecessor, Harri Holkeri, for his distinguished efforts in conducting the preceding session.

Humanity has been shocked by the terrorist attacks in New York, Washington and Pennsylvania. These actions are not in line with religion or divine revelation. On behalf of the delegation of the Kingdom of Saudi Arabia and on my own behalf, I would like to express our deepest sympathy and condolences to the people and Government of the United States, to the delegation of the United States to the United Nations and to the victims' families.

The twentieth century was one of bloody wars and conflicts, as well as of humanitarian disasters unprecedented in human history. However, it was also a century of great discoveries and advances in science and technology, and of great achievements in the cultural and economic fields. With the demise of the cold war, and before the end of the last century, ideological divisions ended. Humanity began to hope again to achieve its legitimate aspirations to realize peace, security and well-being. Yet the facts in the international arena indicate an apparent and increasing division between rich States that have become richer and poor States that have become poorer, and between a handful of States which enjoy the fruits of technological advancement and the majority of the population which cannot absorb and benefit from technology.

Our world today faces great challenges that hinder the development of the majority of States that live in poverty and deprivation. A great many people continue to live in poverty, rampant ignorance, disease and epidemics, in addition to conflicts and wars and environmental risks such as desertification and pollution. The international community should bear its responsibility and pool its efforts to put an end to all these challenges through cooperation and partnership in decision-making and sharing of responsibilities.

While globalization as a concept was used in the 1980s, it is in fact an ancient expression. It has always been linked to empires whose influence extended throughout the world. It is not a new phenomenon; it has been developed over the years through travel, trade, immigration and the dissemination of culture, knowledge and concepts. It has taken many turns. Although the concept of globalization was launched from the West at the end of the first millennium, it originally emerged in the East, in line with the historical and cultural interaction between all the regions of the world.

Globalization is a reality of our century. It is irrevocable and is characterized by increasing interdependence between States, economies and populations as a result of great scientific and technological achievements that have reduced distances, changed communications and spread information among States. The amazing technological achievements of globalization represent a huge asset for progress, for combating poverty and promoting well-being. The prominent economic characteristics of the twenty-first century are embodied in globalization, in free trade, in allowing free transfer of capital and in great progress in various fields of technology. That does not mean that developing countries, which are the majority of the international community, should accept that its fruits and dividends be restricted to industrially and technologically developed countries, while the poor countries continue to be mired in poverty, ignorance and underdevelopment.

The realization of potential, thanks to globalization, continues to be elusive because it takes place in disorderly economic markets. Instead of bringing about the benefits to which we aspire and spreading them in an increasingly intertwined world, globalization has widened the differences and the gap between the poor and the rich. It is obvious that the opportunities it provides are not evenly distributed in the hallowed market competition and the monopolized decision-making by financial power centres. The freedom of trade and the removal of barriers called for by globalization carry as many risks as opportunities — opportunities that do not guarantee success — and they automatically require appropriate political practices and a suitable investment environment.

If globalization allows the expansion of world trade — which in turn leads to an increase in productivity and exports along with the expansion of joint investments — and the facilitation of the transfer of technology as a result of the linkage and cooperation between transnational corporations and national corporations, and if it is reflected in an increase in productivity, distribution, marketing, research and development across national borders, then we must consider at the same time an expected slowdown in the production of national goods in developing countries because of the competition from imported goods, whether in national or international markets. This is because products of industrialized countries are more advanced technologically, cheaper and of higher quality, and because the rules of the market and competition require higher wages and bringing in more advanced technology from developed countries. Hence the frustration, the widening gap between the rich and the poor, the accumulation of legendary riches by the wealthy countries and the increasing poverty of the poor. The gap between States with regard to patterns of development has widened, leading to calls for the humanization of globalization and for recognition that people's needs must be considered and that globalization must be given an ethical dimension.

The widening gap between States now requires fair trade as much as free trade. The international community is calling for constructive partnership to achieve balanced and sustainable development for all States, without exclusion or marginalization. Doubts arise with regard to the justice of the multilateral trade system because of difficulties in international trade relations. The developing countries have not had a fair share from the multilateral trade system.

There are no clear or defined rules on admission to the World Trade Organization (WTO), no terms or provisions. There is dire need to make the WTO truly global in nature. The admission of developing countries should be facilitated in order to allow them to be part of this organization. In their current development circumstances they should not be required to do more than the current WTO member States.

More than ever, globalization requires promotion of cooperation and solidarity in order to achieve balanced and harmonious results. In our world today — a world in which distances are reduced, a world which has become a global village because of scientific and technological advances — States should work together to reduce the obvious shortcomings in international

relations caused by the widening gap between developed and developing countries.

Globalization, which required adjustment on the part of many States, is itself required to adjust its functions to meet people's needs and to introduce changes and amendments to its ways. For globalization to benefit mankind, it must be coupled with a new world order that is fair and sustainable and that allows developing countries to participate in decision-making. Blaming developing countries and criticizing their Governments, and providing them insufficient financial assistance and little advanced technology along with a great deal of advice, will not achieve their targets and goals. To consider the problems of developing countries as temporary relief emergencies which require only charitable action is not an effective remedy. Charitable action itself is no longer capable of providing solutions for spiralling poverty and want in developing countries.

The available data and trends in the global economy indicate that there is a dire need to find new and innovative resources to finance sustainable development in developing countries, such as through reducing world military expenditures. Otherwise, a great many of the world's population will continue to live in dire and abject poverty and underdevelopment, with dangerous consequences that might push the world into a vortex of disturbances and conflicts that will adversely affect international peace and security. This will have serious consequences for international peace and security.

There is also a need for international cooperation to reduce global economic disparities and to lessen the adverse effects of the flow of capital earmarked for speculation. A multilateral management system should be activated. Cooperation with regard to the measures taken by the Bretton Woods institutions and the WTO needs to be enhanced.

The digital revolution is a clear source of immense benefits for humankind. However, digital technology has a dangerous tendency to become a new barrier and a great force for exclusion and manipulation. Reducing the digital divide will not be achieved without technological justice that gives to one and all the right to possess information technology and other advanced technologies so that humanity can live in comfort and dignity.

The Kingdom of Saudi Arabia has contributed to the promotion of development in developing States, especially the least developed countries. It has implemented a great many development programmes and has provided generous donations to such countries in order to combat poverty and underdevelopment and to achieve development and stability.

It goes without saying that there is neither stability nor security without sustainable and comprehensive development. This will not be achieved without quick, steady, comprehensive and multilateral steps to accelerate development and the fight against poverty, disease and ignorance. The past century showed that the dividends of a free market and advanced technology must be distributed fairly, both nationally and internationally.

In the first year of the twenty-first century we are imbued with the hope for a new international humanistic order based on new partnership between developing and developed countries, an order based on cooperation, equality, shared responsibilities, justice and mutual benefits. We look forward to international relations that prevent children from dying from hunger or being deprived of education and that protect people from diseases and epidemics, an order that upholds human dignity and protects the life future of all human beings.

The President: I now give the floor to Mr. Norman Nicholson, Director of the Office of Development Partnership in the Bureau for Policy and Programme Coordination in the Agency for International Development of the United States of America.

Mr. Nicholson (United States): I would like to start by saluting the efforts of all parties engaged in the realization of this important high-level dialogue on strengthening international economic cooperation for development through partnership. I would like to thank the United Nations organizations, the donors, the various Governments, non-governmental organizations (NGOs), private foundations and individuals who will be participating in this dialogue.

From the very inception of its foreign assistance programme, over fifty years ago, the United States has committed itself to the integration of weakened economies into a stable and prosperous global economy, cooperating through a system of rule-based institutions. We recognized that the poorest countries

and those emerging from conflict or disaster often find the challenge of change and recovery beyond their resources or institutional capacity. These countries can face grave economic, social, and political deterioration, but they need not face it alone.

In 1947, Secretary of State George C. Marshall argued that the conscience of humanity demanded a response to these conditions. He also recognized that our security and that of other nations was affected by the possibility of disturbances arising as a result of the desperation of the people afflicted by conflict and despair. In words that are all too poignant today, he urged that our policies should be directed "not against any country or doctrine but against hunger, poverty, desperation and chaos". He argued that the remedy for chaos lies in breaking the vicious circle and building the confidence of the people in the economic future of their own countries and confidence in a world economy that permits the emergence of political and social conditions in which free institutions can exist. Within such a world environment, a people committed to advancing human dignity and opportunity within a context of wise policies and free dialogue can find many partners.

We are assembled here for a dialogue on how to improve the condition of mankind through partnerships directed toward our common goals of reducing poverty, enhancing cooperation and providing dignity and opportunity to all. The events of 11 September constitute a fundamental rejection of the very principles of dialogue and of partnership and the fundamental unity and dignity of the human condition. This meeting could not be more timely.

Today in the twenty-first century we need to renew our spirit of common effort. Developing and developed nations, Governments and NGOs, public and private enterprise — we all need a jointly conceived strategy that, drawing on our respective strengths without masking our weaknesses, holds us all accountable in our unified fight against hunger, disease, illiteracy, injustice and conflict.

The United States will renew its commitment to global economic growth through support for a rule-based international trading system, for assistance to poorer countries to advance policy and institutional reform, for enhanced agricultural development and for investment in human capital and in trade-capacity building.

We shall contribute to this joint effort by fighting infectious diseases such as HIV/AIDS and by advocating women's health, child survival, better nutrition, public health programmes and improved water and sanitation.

We will work with you to reduce the effects of chaos through new initiatives in conflict prevention and conflict resolution, as well as continued efforts to expand democracy and good governance.

We live in a post-cold-war world that is marked by increasingly accelerated globalization, which, in addition to affording smaller economies the benefits of a global trading system, is opening an unprecedented global community of ideas, technology, global public goods and society-to-society linkages.

This "new world" has also transformed our understanding of the development process. The impact of capital flows, once viewed as the driving force of development by virtue of volume alone, is now understood to depend on the efficiency with which those resources are used. This efficiency in turn depends on better ideas — ideas about policy environments, efficient institutional arrangements for ordering economic activity, productive technology and about improving the productivity of people. Ideas combined with capital are what drive development, and these ideas may flow through business linkages, the advocacy of our NGOs and the internet as much as through official assistance.

We also witness today profound changes in the sources of capital flows and other resources. Although the United States is one of the largest donors in the health sector, nonofficial assistance from the United States already overshadows our official development assistance in this sector. In 1999, for example, net total resource flows from the United States alone to developing countries and multilateral development agencies exceeded $50 billion. Of this total, $36 billion came from non-official sources.

There has also been a dramatic increase in the diversity of potential partners: non-governmental organizations (NGOs), private foundations, colleges and universities, private enterprises and even communities. Official development assistance (ODA) is still important, but it needs to leverage these other sources of assistance, and development agencies in developing countries need to find new ways to

encourage and organize our relationship with these diverse partners.

The strength of the partnership approach lies in its ability to remain flexible, linking, as appropriate, Governments, businesses, NGOs, private voluntary organizations, foundations, universities and other organizations in diverse ways. These organizations have different capacities, different resources, different goals and aspirations, different development perspectives and different incentive structures. Partnerships that combine the appropriate strengths of these divergent organizations into fruitful and innovative mosaics can achieve results that far surpass the sum of the parts while minimizing our costs.

For greater aid effectiveness, the development efforts of the United States will be increasingly implemented through what we call global development alliances. This is a new financing model for the twenty-first century. The global development alliance is based on a clear recognition of the significant changes that we have witnessed in the environment of development assistance.

The global development alliance will build on our development assistance organizations' considerable experience in dealing with the private sector as a partner in various sectors. An example of such a partnership is the Global Alliance for Vaccines and Immunization (GAVI), a partnership between the Gates Foundation, which provided financing of $750 million, the United States Agency for International Development, international institutions including the World Bank, the United Nations Children's Fund, and the World Health Organization, the pharmaceutical industry and Governments both of the North and of the South. Another example is the Global Alliance to Improve Nutrition. This is a public/private alliance to improve health through the elimination of vitamin and mineral deficiencies, and the partners include bilateral donors, foundations, multilateral agencies and the private sector.

By taking advantage of the areas of congruence between United States assistance and the private sector, our global development alliance approach will serve as a catalyst that allows the leveraging of our ODA resources to mobilize the ideas, efforts and significant assets of the public sector, corporate America and non-governmental organizations, thereby dramatically increasing total resource flows to developing countries. Donors and development partners at all levels play a critical role in our unified fight against poverty, and in the mobilization of additional resources towards this end.

The ultimate responsibility for development lies with the countries themselves. Development is a hand up, not a handout, not a crutch. We can be supportive, but it is up to the developing countries themselves to put into place the economic policies and the governance structures that mobilize internal and external resources and maintain peace and stability. It is equally important that they maintain societies open to ideas and provide legal and political environments that empower these various potential partnerships.

The growing, necessary and appropriate emphasis upon the total resource flows to developing countries should not — I repeat, should not — be construed as a de-emphasis on the importance of official development assistance to the development enterprise. In addition to the very critical leverage role that official development assistance has and shall continue to play, it is important in its own right, particularly for the poorest countries, which rely heavily on it. However, given the recent, unprecedented growth in private flows to developing countries, the many development challenges around the world that remain to be addressed, and the failure of ODA successfully to address many of these problems, particularly in the heavily ODA-dependent countries, we believe that the development community must look beyond official flows to the broader potential of close collaboration with a very dynamic and varied group of non-official partners.

Let me close by reiterating the unambiguous commitment of the United States to this development partnership. The challenges we face are enormous, but our resolve to make a real difference is unwavering.

Mr. Kumalo (South Africa): Once again we are gathered to consider how to deal with the question of facilitating the integration of developing countries into the world economy. It is a theme that is increasingly prominent on the agenda of many of our meetings, and I am sure that it will be high on the agenda of forthcoming meetings such as the Financing for Development meeting in Mexico and the World Summit on Sustainable Development in South Africa, both scheduled for 2002. The challenge we are discussing today on how to bring developing countries into the world economy is of central importance to the

global community. If we do not successfully address this question, we are creating immense problems for ourselves in the future, problems that will affect global security and become more difficult to solve as the gap between rich and poor grows wider.

We have made real progress in recent years in our understanding of how globalization works. We have seen that it is a complex phenomenon, and that in many ways it is unstoppable. We have also come to appreciate that there are many features of globalization that we would not wish to see ended. The explosion of advances in science and technology, for example, will surely benefit humankind, as we not only communicate more quickly and effectively with each other, but we also see the real prospect of progress in combating the diseases that are a scourge of our planet.

Other features of globalization, such as the massive increase in global trade, also have potential for benefit, provided the opportunities are distributed equally.

What we have also come to appreciate, however, is that the global playing field is very uneven. This has made it difficult for many developing countries to take advantage of the opportunities offered by globalization. For many of the least developed countries, it is not a question of difficulty, but rather one of impossibility.

The Millennium Summit acknowledged the enormity of the task and identified the prerequisites for creating conditions where sustainable development is possible, with achievable targets in health and education.

The Heavily Indebted Poor Countries (HIPC) Initiative on debt relief has made progress in lifting the debt burden for many of the world's poorest countries. Similarly, the Third United Nations Conference on Least Developed Countries in Brussels earlier this year acknowledged the importance of drastic interventions to assist the least developed countries in their quest for economic growth. Free market access for products from the least developed countries in everything but arms is progress in this regard.

Yet the vast majority of the world's poor people do not live in the least developed countries. They live in developing countries that are not the beneficiaries of these recent decisions. It is they that we also need to focus on, now that we are beginning to make progress in addressing the problems of the least developed countries.

In Africa, we have given serious thought to the fundamental questions underlying the problem of the huge disparities in development between the North and the South. We have come to realize that, although there are important steps that we can look to the developed world to take, there is much that we as developing countries can also do to help ourselves.

In the New African Initiative we have identified the key preconditions for sustainable development that we recognize as vital for our own future. Those include the peaceful resolution of conflict on our continent, the promotion of democratic values and sound, transparent governance. Equally important, though, is the partnership we seek with the developed world, a partnership that will ensure that our efforts are sustained by appropriate support measures. The recent engagement of the countries of the South with the G-8 in Genoa resulted in an undertaking on the part of the G-8 to look seriously at the New African Initiative and come up with a plan of action for tackling the issues we are raising. This is welcome progress, and we look forward to further engagement.

In the area of trade we look for better opportunities for developing countries to gain access to markets. We welcome greater liberalization of the global marketplace and the principle of a rules-based system. But that process must be equitable and must offer developing countries opportunities in sectors and products where they have a competitive advantage. We cannot support a dispensation that merely seeks to entrench the existing inequalities while offering greater benefits in areas where developing countries cannot compete. We will have a historic opportunity, at Doha in two months' time, to make the world trading system more global.

Increased trade opportunities imply increased investments. This is another area where we are confident we can change the historical pattern of capital flows, which are currently mainly between developed countries. We believe that, with the support of the North and with the determination of the South to be on the path of sustainable development, we can create conditions conducive to greater investment in our own economies. Greater investment will lead to economic growth, greater production and larger markets, which will benefit everyone.

We also need to look at the global financial architecture and the issue of global governance. We need to make sure that the global financial institutions serve the needs of all their members and take more significant steps to correct historical imbalances.

We are not going to reach any of the targets of the Millennium Declaration unless we agree to tackle these fundamental questions facing the developing world.

The huge groundswell of global public opinion is in our favour, and we have a responsibility to see that we are doing everything in our own power to bring about conditions that are conducive to benefiting from globalization. In the partnership between the developed and developing countries, we are confident that we can succeed. Let us continue to work together in seeking to achieve our development targets.

Mr. Sun Joun-Yung (Republic of Korea): I would like to extend my heartfelt congratulations to you, Mr. President, on your election as President of the fifty-sixth session of the General Assembly. I am confident that, under your able leadership, this dialogue will produce a fruitful outcome.

At the outset, on behalf of the people and the Government of the Republic of Korea, I offer my deepest condolences to the families and loved ones of the innocent victims who perished in last week's terrorist attacks. I condemn those heinous acts of terrorism. We will join in the international community's efforts to prevent and suppress all forms of terrorism.

As the process of globalization intensifies, the world is experiencing fundamental changes that strengthen interdependence and require partnership among various stakeholders. Globalization is no longer a matter of choice, but a reality we must face. This trend towards globalization has had far-reaching implications for the development process. It is true that many developing countries have successfully reaped the benefits of globalization through freer markets, technological advances and good governance. However, many other developing countries — lacking the capacity to tap into the benefits of globalization — have become marginalized. Given the structure and financial difficulties of most developing countries, development disparities and the digital gap will be further aggravated unless the international community takes concerted action through genuine partnership.

At the Millennium Summit, held last September, world leaders expressed concern over the obstacles to resource mobilization that developing countries face, and resolved to create an environment that is conducive to development and poverty eradication. In that connection, a number of innovative initiatives to mobilize financial resources and help developing countries become integrated into the world economy have been presented in many intergovernmental forums. Among others, I attach particular importance to the International Conference on Financing for Development, which is to be held in Monterrey, Mexico, in March of next year.

With the process of liberalization, empowered actors rather than Governments have become increasingly influential in policy-making. I firmly believe that the success of the Conference will depend largely on the appropriate input of stakeholders from civil society and the private sector, as well as from key institutional stakeholders such as the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO). In my view, it is also vital that a firm commitment be made at the national and international levels to enhance cooperation and policy coherence among stakeholders. It is encouraging to note that many developing countries are making efforts to improve domestic governance in order to promote an enabling environment conducive to mobilizing resources and attracting investment. Donors and the international community should work together to support such efforts by developing countries.

Turning to the subject of a knowledge-based society facilitated by the revolution in information and communication technologies (ICT), nobody would challenge the idea that ICT has a tremendous potential to contribute to economic growth and poverty eradication in developing countries. At the same time, the digital revolution has presented us with enormous challenges in all areas. Most importantly, we should bear in mind the mounting concerns over the digital divide in the connectivity capacity and content of ICT. The growing digital divide could undermine the development potential of developing countries.

Confronted with those challenges, old policies for developing human resources and institutional capacity need to be adapted. In the public sector rules and regulations should be devised to provide an environment that will attract investment for the promotion of infrastructure development and local

content. Furthermore, we have to cope with ever-diversifying cyber-crimes and associated illegal activities facilitated by the use of ICT. Considering the growing importance of the private sector's role, it is vital to forge enhanced partnerships between the public and private sectors.

In this regard, I wholeheartedly welcome the establishment of an ICT task force and expect that meaningful progress will come out of its activities. I also welcome the decision by the International Telecommunication Union (ITU) to hold a world summit on the information society and hope that such an event will more comprehensively address complex issues relating to ICT.

I believe that the United Nations can play a unique role in promoting public awareness of the wider applications of ICT for development and poverty eradication in developing countries. Given the diverse conditions and policy objectives, the United Nations system should strive for greater coherence and consistency in its activities in the field of ICT. Having said this, I hope that the General Assembly will play a proactive role in contributing to the successful preparation of the World Summit on the Information Society.

Before concluding, I wish to stress that, since the 1990s, the Republic of Korea has been successfully transforming its economy from a manufacturing-oriented to an information- and knowledge-based economy. This paradigm shift has presented us with new opportunities, as well as challenges for the revitalization of our economy. I am confident that the new paradigm will serve as a new development strategy for developing countries.

I hope that this high-level dialogue will provide an important platform to support the growth of developing countries and to facilitate their integration into the global economy.

Mr. Bennouna (Morocco) (*spoke in French*): Before participating in this important debate on economic cooperation, the Moroccan delegation would like to state that in the tragic circumstances, which affect the host city of New York and the United States of America, we Moroccans, as does the entire international community, wholeheartedly express our condolences to the families of the innocent victims of terrorism.

In choosing the theme of the integration of developing countries into the global economy in the twenty-first century for the second high-level debate on strengthening international economic cooperation for development through partnership, the General Assembly consolidates the international consensus that emerged from the Millennium Summit regarding the need to fight poverty and to promote sustainable development on a global scale.

The heads of State and Government that took part in that exceptional event unanimously agreed that there is a need to rethink international cooperation in the new context of globalization.

Globalization is an essential and unavoidable fact at the start of the new millennium but it must be accompanied by many corrective measures to transform it into a veritable force for prosperity that benefits all members of the international community.

In order to do this, special priority must be given to the question of development financing and to developing countries' access to information technologies in order to narrow the chasm that separates the developing countries from the developed countries in this domain. This chasm has only grown wider during these last few years.

For more than a decade, developing countries have unceasingly called for an international conference on development financing that could mobilize energy and resources to respond to the financing needs and to the expectations of hundreds of millions of human beings living in poverty. The resources of financial development that have been made available have so far turned out, unfortunately, to be insufficient for dealing with global demographic growth and, especially, for creating sustainable development for all humankind.

The process of preparation for the International Conference on Development Financing, to be held in Mexico in the spring of 2002, and the reports of the Secretary-General on this subject underline the need for international action to guarantee economic and social stability in all countries and to contain the threat of recurring crises that could spread across the entire globe precisely because of the globalization of the economy and of markets.

The Millennium Declaration set the tone. The speeches could not have been clearer about the urgency of adopting a strategy to mobilize resources and to

coordinate efforts for financing the development process in developing countries. Our most fervent wish is that the upcoming conference on the financing of development in Mexico be a decisive turning point at which all countries, at all levels, undertake this route of investment, and that conference's outcome be followed by concrete consequences and action on investment.

The whole world is convinced that priority should be given to mobilizing the national resources of developing countries to assure economic growth and social development. It is up to the countries themselves to see to the adoption of healthy macroeconomic policies, to ensure the adoption of effective and targeted social expenditures and the correct management of public monies, and to ensure the creation of a climate favourable to both domestic and foreign private investment.

However, the commendable efforts of developing countries in this area must be supported by the international community, including through providing access to markets, granting special and differentiated treatment, increasing public assistance for development, and reducing the debt burden.

Other mechanisms and measures on the international level are essential for assuring coherence among the economic, financial and environmental policies. The reform of the international financial architecture is indispensable for creating a climate of economic predictability and stability that will enhance the development and growth strategies in all our countries.

The dazzling progress that we have seen in information and communication technologies can contribute significantly to development in our countries, as they give rapid and affordable access to all fields of human activity, especially scientific research. However, the benefits that the developing countries can draw from such technologies are still encountering significant obstacles in the areas of finance, research and protection of intellectual property rights.

As the President of the General Assembly rightly emphasized in his statement at the opening of the fifty-sixth session, these technologies help to stimulate economic growth, but can also constitute a digital divide that widens the technological gap between advanced and developing countries. Nevertheless, with the implementation of adequate policies at the national and international levels, technological progress will certainly help to generate a cycle of progress and emancipation for marginalized populations and societies throughout the world. That is why my country places high hopes in the forthcoming initiative of the presidency along those lines.

National policies can also be decisive in promoting innovation, developing skills and improving the access of all social strata to information technologies. Such policies will remain inadequate, however, if they are not accompanied by international action to establish more equitable rules and to make these technologies available to less developed countries to support their fight against poverty, illiteracy and other socio-economic handicaps.

In this perspective, a fair and equitable use of intellectual and industrial property rights is absolutely necessary. Appropriate agreements and mechanisms can be established by public authorities and the private sector to ensure the development of information and communication technologies in the developing countries. It would therefore be appropriate to reactivate and adjust the multilateral conventions and agreements on the transfer of technologies and the protection of intellectual property rights in order to allow our countries to benefit from these technologies on preferential and concessional terms.

In this spirit, a global plan needs to be drawn up, incorporating information and communication technologies into all development programmes based on innovative and daring measures. It is true that, without innovative public and private action, new technologies, rather than being instruments of progress, could prove instead to be means of exclusion and marginalization.

I will conclude on a note of optimism. We hope that an initiative to allow the developing countries to benefit further from these new technologies will be adopted as soon as possible.

Mr. Shen Guofang (China) (*spoke in Chinese*): The Chinese delegation thanks you, Sir, for presiding over today's meeting.

The Chinese Government wishes to express its shock and dismay at the terrorist incident that took place in the United States. We convey our heartfelt sympathy and condolences to the deceased and the injured. The Chinese Government has always been

resolute in opposing any kind of terrorist act. Terrorism is a new challenge to mankind in the twenty-first century. In response, we must strengthen international cooperation. The United Nations should play its due role.

Globalization has promoted the development of the world economy, but has also caused imbalances in it. Developing countries, which account for the majority of the world population, have not been able to participate fully in global economic activities. While having benefited much less from globalization than the developed countries, developing countries are bearing the brunt of globalization's negative impact. Many have even been further marginalized.

The international community must face the serious question of how to facilitate the integration of developing countries into the world economy in the twenty-first century. The efforts of developing countries on their own are indispensable, but the influence of the international environment should not be underestimated. In this regard, global governance is critical. The current international financial and trade systems represent mostly the interests of the rich countries. The poor countries have little say in the decision-making processes and their interests are often neglected. If this kind of inequality in global governance goes unchecked, the polarization caused by globalization will become even worse, rather than be mitigated.

In our view, developed countries, the heavy-weight players in the global economy, should take into consideration the long-term objectives of global prosperity as well as their own long-term interests, correct the inequalities in global governance, heed the voice of developing countries and support their full participation in the formulation of international rules so that their interests in the international economic system can be adequately represented.

Providing sufficient funding for the development of developing countries is a major means by which to facilitate the integration of developing countries into the world economy. In this regard, the International Conference on Financing for Development has important tasks to fulfil.

Official development assistance has long been a major source of funding to help developing countries, especially those that do not easily attract private capital flows, achieve sustainable development. Regrettably, however, for many years, the overall level of official development assistance has been continuously declining and more and more conditions and requirements have been attached to it. We hope that the developed countries can reach their goal of 0.7 per cent of their gross national product devoted to official development assistance as soon as possible. At the same time, the conditions they attach to official development assistance should conform to realities in the recipient countries and relevant procedures should be streamlined to lessen burdens on the recipients and to enable official development assistance to achieve the best results.

Large volumes of private capital are flowing internationally in the form of foreign direct investment. If these funds are well used, they can play an important part in enhancing the economic development of developing countries. Developing countries should carry out the necessary reforms to attract more private capital. The international community, the developed countries in particular, should take the necessary measures to channel more private capital into developing countries. With the persistence of globalization, the volume and pace of the flow of international capital are accelerating and in turn facilitating the process of globalization. However, owing to the imperfections in the international financial system and financial supervision capacity, the negative impact of financial globalization on developing countries has become salient, bringing about huge pressures on their financial markets and even giving rise to serious economic and political crises. We hope that in the discussions of relevant reforms of the international financial system, great importance can be given to the prevention of financial risks and stabilization of the financial order in developing countries.

Trade is an important channel for mobilizing financial resources. At present, products from developing countries continue to face significant barriers in the markets of developed countries. Some of their products with competitive advantages are exactly the ones that meet with heavy protection in developed countries. This has seriously obstructed the efforts of developing countries to mobilize necessary development resources through trade. The international community, especially developed countries, should take concrete action to address the issue of opening markets to products of developing countries.

Information and communications technologies (ICTs) can greatly facilitate economic and social development in developing countries. However, without effective measures, the digital divide, which has already drawn people's attention, may become even bigger and further widen the gap between developing and developed countries. The international community should give assistance to developing countries, including providing them with financial resources, transferring relevant technology on preferential and concessional terms and helping them build up their infrastructural facilities and capacities and enhance their capacity to use ICT.

Countries should formulate their own ICT development strategies suitable to their respective national conditions. At the same time, we should be aware that the development of ICT is not an isolated issue. It should work hand in hand with the development of human resources and infrastructural facilities. The United Nations should play an important role in helping developing countries to integrate themselves into the world economy using ICT. We hope that the United Nations ICT Task Force will make contributions in this regard.

The Chinese Government attaches great importance to the development of ICT and international cooperation in this regard. In the first half of this year, the Chinese Government, in collaboration with the United Nations Department for Economic and Social Affairs (DESA), conducted three important conferences related to ICT in China, with the purpose of assisting developing countries and countries with economies in transition to improve their capacities, so as to take advantage of ICT and integrate themselves into the global knowledge-based economy. Relevant conclusions and recommendations have been distributed as a United Nations official document (A/56/211), and we hope that they will provide a useful input into our deliberations in this area.

Mr. Niculescu (Romania) (*spoke in English*): Allow me at the outset to extend my sincere congratulations to you, Mr. President, on your election to preside over the fifty-sixth session of the General Assembly. We are confident that under your able leadership, this new United Nations General Assembly session and the high-level dialogue meeting will be crowned with success. You have all our support in this endeavour.

After a slight postponement because of the tragic events in New York and Washington — and I would like to reiterate our deep sense of sympathy and solidarity with the American Government and people — the convening of this dialogue underlines a reality: the international community cannot afford to ignore the formidable challenges and implications of the revolution in information and communications technologies (ICTs) and its huge economic and social impact. The main enemy remains marginalization, a problem facing developing countries and countries in transition. Integration of these countries into the emerging global information network is, in our minds, a central task for the United Nations. In this respect, we commend the personal involvement of the Secretary-General in this process, which resulted in the setting up of the ICT Task Force. We are also grateful to the Under-Secretary-General for Economic and Social Affairs, Mr. Nitin Desai, and to his able staff for preparing the background for this high-level dialogue and for the roundtables.

Beyond the technological advances, what is actually new about the so-called new economy in the twenty-first century? The world economy in the twenty-first century is characterized by dynamism, competition becoming global and the increasing number of network actors. Industry has a more flexible capacity for production, which is based on knowledge and is driven by digitization. The importance of research and innovation is higher than before, and firms make alliances in order to increase their market share and to have a better competitive position on the market.

This economic mutation is linked to two main developments. The first is the exponential growth of the Internet. The second is the growing power of information. Knowledge, ideas and brainpower are becoming the world's main economic resources. Intangible goods — content and software — represent an ever-growing share of the economy.

These developments have a profound impact on our way of doing business. We are witnessing the emergence of electronic commerce. The ICT revolution offers huge potential for human and societal progress. Business no longer needs to take place in highly developed and densely populated areas. Anybody, anywhere can play an active role or benefit from the new Internet services.

This, however, depends on a few essential conditions. First, it depends on the availability of a powerful and seamless communication infrastructure. Secondly, people need new skills to play an active role. They need what we call digital literacy. Greater participation requires that we find new ways of behaving. In the past decades, we all lived in a fairly static economy. Now the Internet opens up an era of intense creative thinking, with ideas competing against ideas. The new economy calls for bold minds, an innovative spirit, open-mindedness and vision.

The Millennium Declaration identified five key areas as development imperatives — health, education, economic opportunity, empowerment and participation, and the environment — and underscores the importance of interrelated factors to be addressed in order to maximize the benefits of ICT for development.

This includes building human capacity, creating incentives for enterprises and increasing competition, especially among telecommunications and Internet-related businesses. The strategy is to guide stakeholders in investing in ICT and in implementing strategies that take advantage of the potential of ICT to accelerate social and economic development.

In order to enhance the integration of Romania in the emerging global information network, we, in my country, adopted four specific laws. The first concerns the protection of individuals with regard to the processing of personal data and the free movement of these data. The second regards the processing of personal data and the protection of privacy in the telecommunications sector. The third is a law on electronic signatures, and the fourth is a law on electronic commerce.

In February 2001, the ICT Promotion Group (GPTI) was created, led by the Prime Minister and composed of the "e-ministers", ministers that have a stake in moving towards "e-development". That group has the mandate to facilitate and integrate all e-developments for the benefit of Romanian citizens and businesses.

A critical constraint on enhanced integration into the emerging global information network is the lack of public funds available to developing countries. Partnership between the private sector and the public sector is crucial, because the private sector has to invest in e-developments and has to raise funds in order to build an information society for all.

The United Nations has to play a catalytic role in fighting against the digital divide and in bringing together all stakeholders in order to build a better world for everyone. The future starts with us today, and if we are not doing something now, who will be doing it, and when? If not we, who? And if not now, when?

Mr. Navarrete (Mexico) (*spoke in Spanish*): The delegation of Mexico is very pleased to see you, Mr. Minister, presiding over this dialogue and thus highlighting its importance.

I reiterate the sorrow and solidarity already conveyed by the Mexican Government to the United States at the atrocious terrorist attacks that nine days ago took the lives of so many citizens of the United States and of other countries. The Mexican Government has officially declared that those acts constitute genuine crimes against humanity, that they undermine the very foundations of civilized coexistence among nations, and that they pose a grave threat to international peace and security. For those reasons, the Mexican Government categorically condemns terrorism in all its forms and manifestations, irrespective of its political, philosophical, ideological, racial, ethnic, religious or other motivations.

The central topic of this second high-level dialogue is of paramount importance to the Mexican Government. My country is participating in a spirit of constructive unity. We see this forum as a fresh opportunity for us to reflect together, as we have done all morning, on globalization, which has had an impact on every aspect of life in our societies and on the functioning of our institutions, in terms both of their internal relationships and of links with the community of nations. Globalization — the name we have given to the way today's world functions — has created new opportunities for growth and for development, and has spawned innovative ways to promote international cooperation, scientific advancement, development and peace. That has already been acknowledged by preceding speakers in this dialogue.

Moreover, globalization has made us understand the need to adopt measures to ensure that everyone can share in those opportunities and to reduce and eventually eliminate the risks of marginalization, fragmentation and exclusion within our societies and within the community of nations. It is a fact recognized here this morning that not all countries and not all sectors of society have shared equally in the various

networks of globalization. Some nations enjoying solid economic and social development have been able to avail themselves of its advantages, but most developing countries have been unable to take advantage of the opportunities that globalization offers.

Likewise, within countries, globalization has had disparate effects. While some individuals and some sectors of society — those with access to technological progress; those best connected with local and international markets; those who are best educated — have been able to benefit fully from the opportunities offered by this process, others — in many countries, unfortunately, the large majority — have been excluded. That has contributed to exacerbating inequality and has eroded social coherence, both within nations and throughout the world.

If there is any common thread in the statements we have heard this morning, it is that globalization has not to date made a tangible contribution to reducing the development gap, to improving the distribution of income and wealth, or to engendering equal opportunity within countries or among nations. That must change.

The harrowing days through which we are living remind us that globalization without opportunities for all countries, particularly developing countries and the least developed among them, will bring with it dangerous imbalances and will make the world less functional for us all. One of the key characteristics of globalization is that it can strengthen the circuits that transmit the dynamic impulses of trade and investment. But in addition, as we can see in the present widespread slow-down of the world economy, the impulses of recession can also be speedily transmitted and can spread unless a coordinated and, sometimes, simultaneous response is made.

I am thinking of the decisions to reduce interest rates taken early this week by the financial authorities of the United States of America, the European Union and some of the principal emerging economies. That is the kind of multilateral coordinated action that can help improve the functioning of a globalized world economy.

Mexico is convinced that international cooperation and agreement are the best tools for promoting the equitable progress of peoples in a globalized world.

From my Government's perspective, in order to achieve an increasing and positive inclusion of the developing countries in the world economy during the twenty-first century, there is a need for resolute action by all nations on several fronts — resolute action in support of the national effort to mobilize resources, which is at the core of growth and development. These fronts include, inter alia, trade, foreign debt, international cooperation and development financing.

In order to facilitate the integration of the developing countries in the global economy in the century that is now beginning — and this is the central topic of this dialogue — it is necessary better to understand the nature, the scope and the consequences of the growing interdependence of the world economy. We must better understand also the fact that national economic policy actions, and particularly those of the most developed countries, have an impact on the global environment and affect development for all. That influence and those consequences must increasingly be borne in mind.

As has already been indicated by several speakers, in March 2002 Mexico will have the privilege of hosting the International Conference on Development Financing, which is designed to examine financing and other development topics in a holistic fashion, in the context of globalization and interdependence, with the objective of shaping a world alliance in favour of a better-balanced and more participative globalization and the building of an economic order that can ensure development for all and contribute to the eradication of poverty.

In this dialogue on the promotion of integration and of ways of combating exclusion in the world economy, Mexico reiterates its appeal to the international community; to the Governments of industrialized countries, of countries in transition, and of the developing countries; to the competent institutions of the United Nations system; to the Bretton Woods institutions and the World Trade Organization (WTO); to private enterprise; and to non-governmental entities and civil society, that they continue to participate actively and positively in all of the preparatory stages of the International Conference on Development Financing and in the Conference itself, including the participation of heads of State and Government in the summit stage.

Mexico is committed to a globalization without marginalization or exclusion, in which poverty is eradicated and which places the well-being and dignity of persons as the centre of national development efforts and of actions for international cooperation.

Mr. Baali (Algeria) (*spoke in French*): At the outset I should like to express the pain and horror that we in Algeria feel following the appalling attacks on New York and on Washington. We vehemently condemn these acts and feel immense sympathy for the people and the Government of the United Nations, as well as for the families of the victims, who are facing adversity with courage and dignity. These heinous crimes merely strengthen our conviction that terrorism is a global threat that challenges us all and requires a response that, in order to be effective, must be global and concerted.

Algeria, which has always called for a genuine, strengthened cooperation among all Member States and which has faced terrorism almost alone, will fail to provide full cooperation to international efforts to eradicate once and for all this modern scourge, to which no one is immune.

Allow me, until a more authoritative voice than mine can do so, to address heartfelt congratulations to you, Sir, on your assumption of the presidency of the General Assembly, and to assure you of the full cooperation of the Algerian delegation as you discharge the lofty task that has been entrusted to you by the international community.

In the Millennium Declaration, the international community pledged to halve, by the year 2015, the number of people in the world living in poverty. It recommended, inter alia, the implementation of programmes to expand access to health care and to education, and it called for the formulation of job-creation strategies. Convinced of the benefits of controlled globalization for the developing countries, the Millennium Assembly furthermore sought to direct its strategies towards the goal of making new technologies available to all, in particular information and communication technologies (ICTs), which, in the new economy, will increasingly determine access to the labour market and which, naturally, relate to the problem of the integration of the developing countries into the economy of the twenty-first century. It thus established a link between trade globalization and the need to develop networks, thereby encompassing the various salient concerns of our discussion.

In the context of the debate on the relationship of developing countries to globalization, Algeria sees in our interconnected economy a growth opportunity for those countries, and in ICTs a historic chance for them to become part of the world economy, to catch up to a certain extent with the developed countries and to increase their eligibility for the partnerships that will be required by the economy of the twenty-first century, without being overly preoccupied at the present stage with what is called the digital divide.

We also believe that ICTs represent a major building block for the national and regional economies of those countries, with multiple benefits in terms of opening up land-locked countries, controlling costs and performance in public services, and a valuable tool for policies aimed at good governance and the democratization of social relations.

ICTs, if put to use to assist developing countries in the area of international trade, will develop their comparative advantages, promote their ability to compete and enhance their knowledge of the major world markets, and therefore their access to them.

It has been acknowledged that trade in goods and services, which is based primarily on networks, represents the first stage at which developing countries make contact with globalization and is their entry point into the Internet economy.

The resulting increase in the proportion of those countries involved in global trade should definitely generate the financial resources that are necessary for establishing the basic conditions for the resurgence of their economies, and subsequently should provide a driving force for sound, sustained growth.

It must be said, however, that the true conditions under which these countries are developing do not come close to reflecting that idyllic vision.

While it is true that the developing countries are steadfast in their desire to take advantage of globalization and the new technologies associated with it, they still need to build the infrastructure necessary for taking on board such technology and to strengthen national capacities that will enable them to be used at a complex and economically effective level.

At this stage, for the most part, they are confronting the problems associated with the level of development of education in their countries and the performance of the educational system — elements that are essential in this knowledge-based economy and for which considerable financial input is required.

In order to give young people, who form the majority of the population, the qualifications that they need to enable them to become part of this intensely knowledge-based job market and to make this trained group a decisive factor in attracting investment and promoting economic growth, these countries are looking to official development assistance to provide them with the initial impetus that would enable them to trigger this beneficial cycle, after which private resources will take over to finance the economy and supplement the budget.

Together with other African countries, Algeria shares the view expressed in the New African Initiative, adopted last July in Lusaka, that it is the primary responsibility of the countries concerned to bring about the recovery of Africa, and the developing countries in general, through the adoption of sound economic and budgetary policies, as well as social practices that are consonant with good governance. But Africa and Algeria also believe that, in the initial stages, this effort of recovery will require assistance in the form of resources derived from an increase in absolute terms of official development assistance, from direct private investment and, in particular, from deeper, broader external debt-relief measures.

We believe that this relief process should take the form of debt conversion in favour of social programmes, the primary effect of which would be to increase the public funds necessary for human development, education and health — the key conditions that must be met in order successfully to bring about the integration of our countries into the economy of the twenty-first century.

In this respect, we believe that the Heavily Indebted Poor Countries Initiative is a positive step and should be welcomed, despite the manifest sluggishness of the mechanism. We believe that a more relaxed approach should be taken towards the criteria for its implementation. Furthermore, we would like to stress that we attach importance to strengthening and expanding that initiative by allocating additional resources before an initiative is launched to relieve the debt of other, so-called medium-income countries, which, I need hardly recall, account for most of the people targeted by the poverty-reduction goal that the international community is seeking to achieve by 2015.

In conclusion, I would like to state that Algeria intends to take advantage of the context offered by the preparatory process for the Monterrey Conference so as to present the detailed proposals contained in the New African Initiative to the donors and eminent specialists who have been brought in by the Secretary-General with a view to ensuring the success of the international dialogue. Clearly, the process must continue after this meeting if we are to ensure that the financial resources are commensurate with the seriousness of the social situation throughout the world and the urgent need to improve it.

Mr. Ahmad (Pakistan): Since I am addressing the General Assembly at this session for the first time since the horrendous tragedy that struck both this great city of New York and Washington, I would like to avail myself of this opportunity to express our profound sympathy and condolences to the Government and the people of the United States and to all of the victims. There has been a horrendous and colossal loss of innocent lives from all over the world, not just the United States; more than 60 countries have lost nationals. Our thoughts and prayers go to the victims, the departed souls and the bereaved.

This is also the first time that I am addressing the General Assembly under your presidency, Sir. It is a special pleasure to see you in the Chair, representing a country with which I have had a personal association, having served for several years as my country's ambassador in Korea, which is known as the country of the morning calm. I would like to convey my felicitations to you on your assumption of the presidency. Knowing your skills and professionalism as I do, I am confident that you will steer this session of the Assembly to a fruitful and productive conclusion.

Addressing myself to the theme of the integration of developing countries into the world economy, I would like to begin by associating the delegation of Pakistan with the statement of the Group of 77 and China.

Globalization is a complex and multidimensional process. It is reshaping our economic, social, cultural and political values. With its edifice premised on the four pillars of technology, trade, investment and

financial flows, the impact of globalization is ubiquitous. What we are witnessing is a whole new paradigm for creating a world without borders with unhindered circulation of goods and services — a new paradigm based on new patterns of cooperation on the basis of justice, equity, partnership and interdependence.

Prima facie, globalization has opened enormous opportunities for development. Spurred by rapid economic growth, the global economy touched a cyclical high in the past decade. World trade volumes have undergone a manifold increase. The size of the global economy continues to expand. These are, indeed, promising prospects.

Then there is the other side of the picture. It is an undeniable fact that globalization is being experienced differently and unequally.

It has accentuated the disadvantaged position of vulnerable groups and caused growing economic inequalities among countries and regions. This is manifested in the increasing digital divide, rising income inequalities and concentration of economic power through mega-mergers.

The fact of the matter is that the process of globalization is asymmetric, with some winners but many losers. It has created aspirations for consumption patterns and life styles that cannot be sustained socially, culturally, politically or environmentally.

The developing countries are convinced that their attempts to integrate their economies into the global economy stand little chance of success unless an enabling environment that allows them to maximize benefits and minimize costs of integration is created. This is possible only by customizing the process of integration to the specific needs and levels of economic development of a country and the capacity of its existing institutions and industries, and by involving them in preparing the rules of the game.

An important facet of globalization is trade liberalization, which is presented to us as a panacea for accelerated growth and development. One cannot help but observe that there are stark inequities afflicting the multilateral trading system. Consequently, developing countries have not gained any meaningful market access in the key areas where they have a clear comparative advantage, such as in textiles and agriculture.

Absence of genuine trade liberalization in these areas is accompanied by other measures to restrict developing countries' exports. These include safeguard measures, anti-dumping practices, subsidies and countervailing measures, and arbitrary rules of origin. In contrast, developing countries face a situation where their traditional knowledge in medicine, music, art and design are often appropriated by the developed countries without any compensation.

Trade liberalization demands elimination of all barriers. This would need equitable global regulation. Sadly, the reality is grossly different. The rules of the game are unequal in construct, and inequitable in outcomes. Some countries have the power to set the rules and invoke them, but the weak and vulnerable ones have neither. As a result, national boundaries do not matter for trade flows or capital flows, but do matter for technology flows, intellectual property regimes and the movement of labour.

Trade is only one dimension of the process of the integration of developing countries into the global economy. One cannot ignore the crucial importance of other aspects of the development process, especially financing for development. In this regard, we have pinned great hopes on the forthcoming International Conference on Financing for Development in Monterrey, Mexico early next year. The Monterrey Conference provides a unique opportunity for all stakeholders to harmonize their development policies. Let us not miss this golden opportunity to channel the forces of globalization in support of development.

It is indeed very timely and welcome that we in this high-level dialogue are addressing a subject and overarching theme which is international cooperation for economic development of developing countries and this is one of the six themes of the financing for development process which we are currently addressing.

Official development assistance and foreign private capital flows are important ingredients to growth and development in developing countries, and to the modernization of their production processes. Similarly, the importance of expanding the channels for foreign direct investment, and transfer of technology, particularly information and communications technology (ICT), to developing countries can hardly be over-emphasized.

Another important facet of integration is finding durable solutions to the external debt problem that burdens the developing countries. Regrettably, this problem has a debilitating impact on the resources allocated for development needs. The Heavily Indebted Poor Countries (HIPC) and enhanced HIPC initiatives are welcome developments, but given the phenomenal debt burden of the developing countries, this is too little, too late. Apart from HIPC there are several middle-income developing countries whose debt burdens have reached unsustainable levels. In certain cases, the indices of debt distress are close to those of HIPC countries. The need of the hour is an effective, comprehensive, equitable and development-oriented strategy to address the debt problem of the developing countries, including debt reduction and increased concessional financial flows for all developing countries. The United Nations, in consultation with the donor countries and international financial institutions, could take a lead in preparing workable options in this regard. One readily available option is diverting some of the debt servicing payments towards social sector development in the developing countries.

Integrating the developing countries into the global economy requires a holistic and comprehensive approach. In this regard, greater participation of developing countries in the management of global economic, financial and trading systems is of pivotal importance. To make globalization work for all, in the words of the Secretary-General and as envisioned by our leadership also in the Millennium Declaration, the economic, financial and social challenges confronting humanity will have to be addressed by all stakeholders, based on cooperation, partnership, and inter-dependence. Let us rise to the higher plane of consensus building in support of development. We have reason to believe that the problems of globalization can be addressed by a global response alone.

The promise and perils of globalization should be shared and managed through open, democratic, transparent and participating multilateralism. At this time of increased global interdependence, we need international institutions to ensure that everyone reaps the fruits of globalization. Needless to say, the United Nations, a democratic institution with universal membership, has a central and crucial role to play in meeting this global challenge.

The President: We have heard the last speaker for this meeting. I thank the Representatives for their perseverance. We shall hear the remaining speakers this afternoon at 3 p.m. Before adjourning the meeting, I should like to draw your attention to a matter concerning the maintenance of order in the General Assembly Hall. There have been many instances where cellular phones ring in the General Assembly Hall while the meeting is in progress. The ringing of cellular phones interferes with, and is disruptive to, the orderly proceedings of the meetings. I sincerely hope that the digital revolution will help, not hamper, the proceedings in the General Assembly. In this regard I shall like to strongly urge you and members of your delegation to turn your cellular phone ringer off or to keep them in the silent mode while in the General Assembly Hall. I thank you for your cooperation.

Programme of work

The President: I should like to inform Members that the General Assembly will take up agenda item 166, "Measures to eliminate international terrorism", on Monday, 1 October 2001, in the morning. The list of speakers is now open.

The meeting rose at 1.20 p.m.